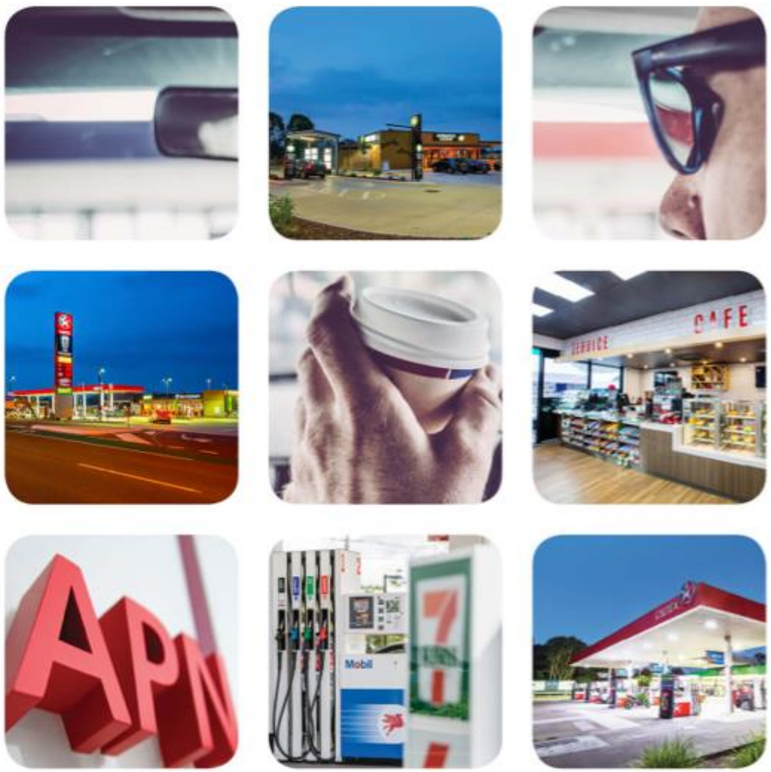

FY21 RESULTS, ACQUISITIONS & EQUITY RAISING

17 AUGUST 2021

www.apngroup.com.au
ASX Code: AQR

APN | Convenience Retail REIT

dexus

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Agenda

01 FY21 snapshot

02 Financial performance

03 Portfolio overview

04 Acquisitions & Equity Raising

05 Outlook & Guidance

Appendices

01 FY21 SNAPSHOT

Raceview Convenience Centre, QLD

APN Convenience Retail REIT

Investing in strategically located service stations and convenience retail assets to provide investors with an attractive, defensive and growing income stream

High level of income security	WALE[1] **11.9 years**
Tenant quality	MAJOR TENANTS **94%**
Sustainable income growth	ANNUAL RENT REVIEWS[2] **3.0%**
Strong distribution growth into FY22	FY22 DISTRIBUTION GROWTH[3] **4.6%**

1. Weighted Average Lease Expiry (WALE) by income as at 30 June 2021.
2. Assumes CPI of 1.0%.
3. Based on FY22 distribution guidance of 22.9 cents per security, subject to current market conditions continuing and no unforeseen events.

FY21 snapshot

Financial performance

21.9c
FFO PER SECURITY
▲1.4% on FY20[1]

$3.67
NTA PER SECURITY[2]
▲12.2% from JUNE 2020

80.2%
TAX DEFERRED DISTRIBUTIONS

Portfolio performance

$185m
TOTAL CONTRACTED ACQUISITIONS

$53.9m
12.1% LIKE FOR LIKE VALUATION UPLIFT

11.9 years
WALE
▲ from 10.6yrs AT JUNE 2020

Capital management

$47.4m
NEW EQUITY RAISED[3]

$90m
INCREASED DEBT FACILITIES

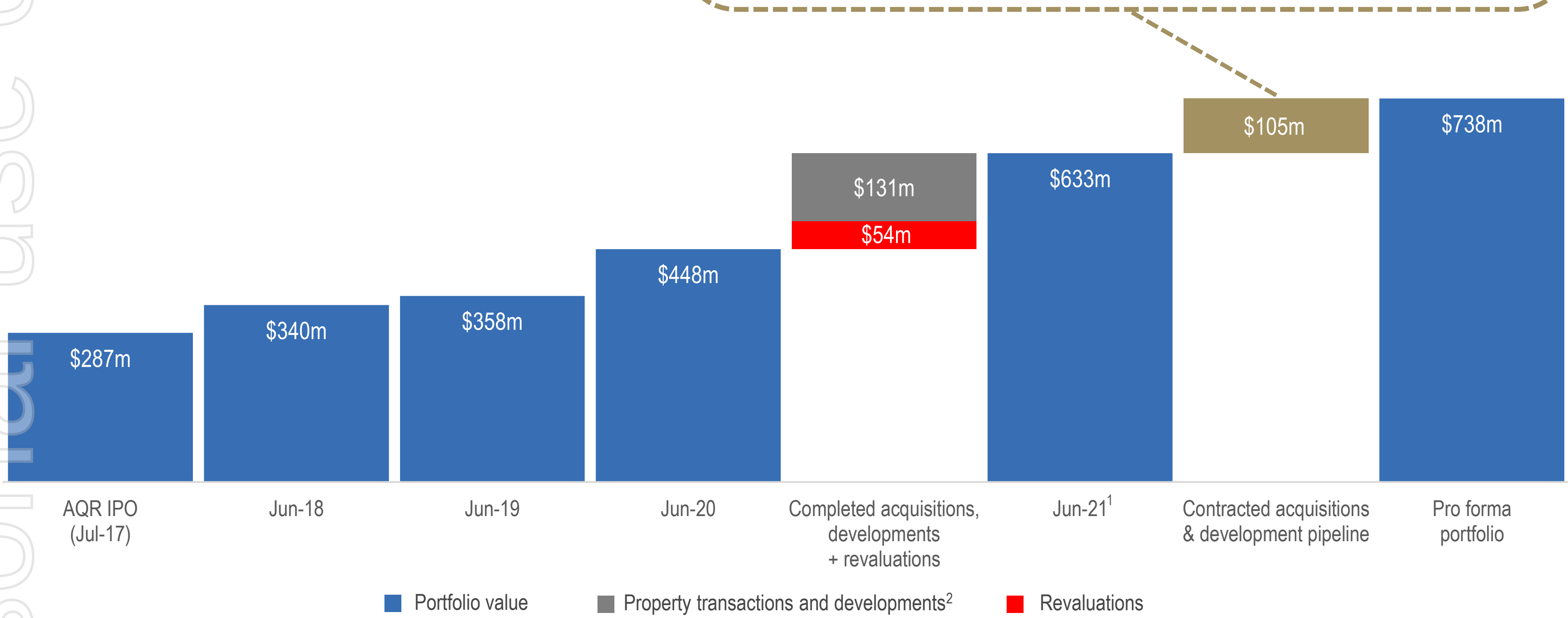
28.2%
GEARING

1. Fund from Operations (FFO) per security reflects the issuance of new securities during the period.
2. Net Tangible Assets (NTA) per security.
3. Excludes new equity raised post balance date.

Delivering on growth strategy

Portfolio growth since IPO

Comprises:
- Portfolio comprising Griffin, Holmview, North Lakes, Upper Coomera, Greenbank and Highfields (collectively $59m) – previously announced
- OTR Gepps Cross ($7.5m) – previously announced
- Mt Gambier ($6.6m) – previously announced
- Gordonvale ($18.4) – contracted post balance date
- Kingston ($10.2m) – contracted post balance date
- Hillcrest ($3.7m) – remaining committed development costs to completion

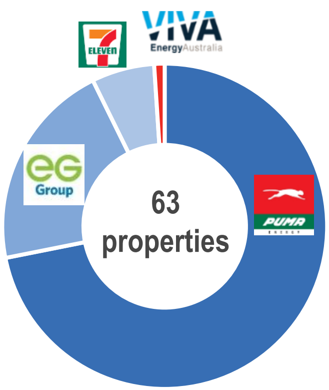


1. Includes land held for development of $4.8 million.
2. Excludes transaction costs.

Enhanced tenant diversification

Six new fuel tenants introduced since IPO

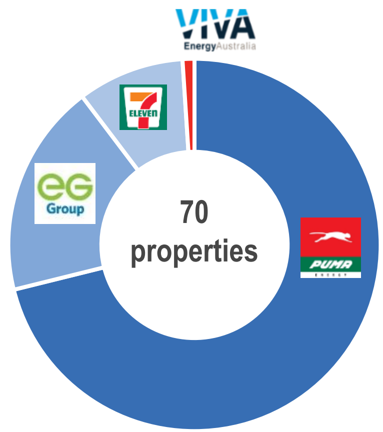
IPO (July 2017)
$287 million



- 7.2% WACR
- 13.6 year WALE
- 4 major tenants

Focus on establishing relationships with property owners and developers to identify opportunities to enhance the portfolio

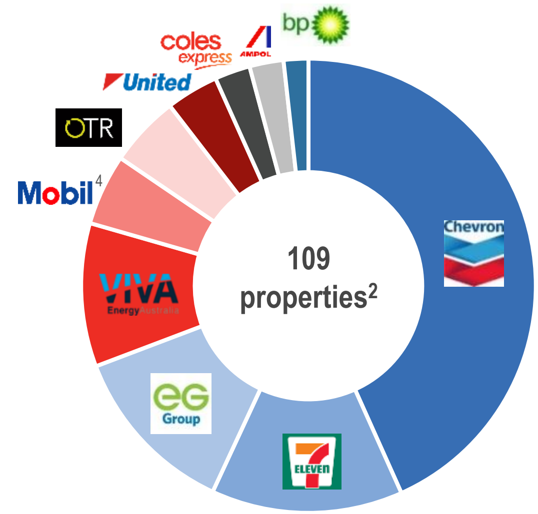
June 2019
$358 million



- 7.0% WACR
- 11.7 year WALE
- 4 major tenants

Maintain a patient and disciplined approach, ensuring opportunities are attractively priced and meet strict investment criteria

Pro forma June 2021[1]
$738 million



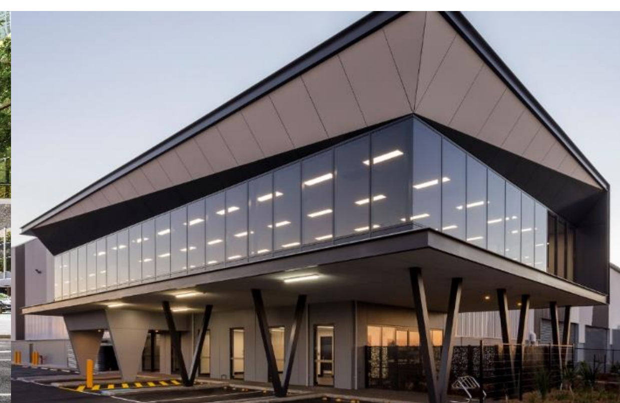
- 6.0% WACR[2, 3]
- 11.7 year WALE[1, 2]
- 10 major tenants[2]

Established strong partnerships with developers and major retailers to expand their networks

1. Chevron acquired Puma Energy on 30 June 2020.
2. Pro forma adjusted for contracted acquisitions and development pipeline.
3. Weighted Average Capitalisation Rate (WACR).
4. Lessees are major independent operators trading as Mobil.

Dexus acquires APN Property Group

- The Dexus acquisition of APN Property Group was implemented on 13 August 2021. As a result, Dexus is now the manager of APN Convenience Retail REIT
- Dexus maintains a 10% stake in the Fund, demonstrating continued alignment
- Management team has been retained
- Securityholders will benefit from a like-minded investment philosophy, as well as an integrated real estate management platform:
  - Established expertise in property investment and development, with an extensive track record of value creation
  - Access to a deeper pool of acquisition opportunities
- Existing governance arrangements will remain, including the independent Responsible Entity Board
- As a result of the Dexus acquisition:
  - APN Convenience Retail REIT will rebrand to Dexus Convenience Retail REIT (ticker code: DXC) – planned to take effect from 1 October 2021
  - Rebranding simplifies the Fund’s market positioning for existing and potential tenants and investors



Dexus – Leading manager with a focus on real estate fundamentals

Strong investor alignment

- Dexus is strongly aligned to delivering investor returns – owning a co-investment stake in AQR
- Dexus provides capital capacity to make co-investments as a Top 50 entity on the ASX

Specialist leading manager of Australian real estate

- $42.5 billion total funds under management
- Full-service platform with a track record of delivering out-performance
- Vision to be recognised as Australia's leading real estate company

Leading ESG credentials

- Delivering long-term value by focusing on issues that matter to stakeholders
- Best practice corporate governance trusted by leading global investors
- Recognised global leader in sustainability

Leveraging platform scale

- Broad Australian real estate expertise spanning office, industrial, retail and healthcare sectors
- Platform scale providing unparalleled access to leasing and acquisition deal-flow and market intelligence
- Unique customer propositions driving tenant attraction and retention translating to investment performance

02 FINANCIAL PERFORMANCE

Brisbane Airport Link Service Centre, QLD

FY21 financial performance

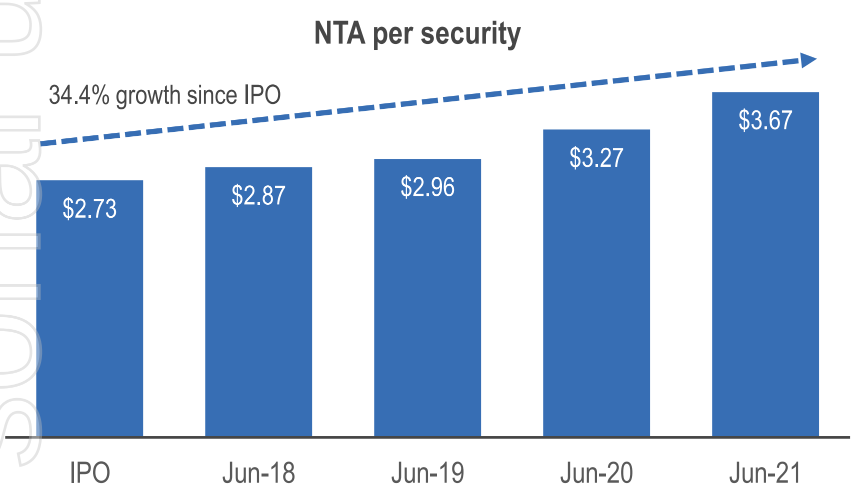
Transparent income streams and capital structure

- FFO of 21.9 cents per security, up 1.4% on FY20
- Distributions of 21.9 cents per security, up 0.5% on FY20
- Net property income increased by $6.8m to $33.2m (+26.1%)
  - Acquisitions and developments contributed $6.1m
  - $0.7m of like-for-like rental growth (+2.8%)
- Increase in management fee attributed to revaluation uplift and portfolio growth
- Finance costs are lower due to capital management initiatives

A$m	FY21	FY20	Change
Net property income	33.2	26.4	▲ 26.1%
Straight lining of rental income	4.5	4.2	▲ 7.6%
Other income	0.5	0.1	▲ nm
Total income	**38.2**	**30.7**	**▲ 24.6%**
Management fee	(3.5)	(2.5)	▲ 36.9%
Finance costs	(4.2)	(4.6)	▼ 8.2%
Corporate costs	(0.5)	(0.7)	▼ 22.4%
Total expenses	**(8.2)**	**(7.8)**	**▲ 5.1%**
Net profit	**30.0**	**22.9**	**▲ 31.3%**
Adjusted for:			
Straight lining of rental income	(4.5)	(4.2)	▲ 7.6%
Amortisation of upfront debt costs	0.4	0.6	▼ 28.3%
Funds From Operations (FFO)	**25.9**	**19.3**	**▲ 34.6%**
Key performance metrics (cents)			
FFO per security	21.9	21.6	▲ 1.4%
Distribution per security	21.9	21.8	▲ 0.5%
Tax deferral	80%	64%	
Payout ratio	100%	101%	

Balance sheet

- NTA per security increased by 40 cents (+12.2%) during the year
- $184.5 million increase in investment properties primarily due to:
  - $111.9m of completed property acquisitions
  - $53.9m in portfolio revaluation uplift
  - $18.7m in total development spend – 3 development projects completed
- Increase in interest bearing liabilities due to acquisitions and completion of development projects
  - Partly offset by equity raising proceeds utilised to reduce borrowings and provide balance sheet capacity



A$m	June 2021	June 2020	Change
Assets			
Cash and cash equivalents	0.8	2.3	nm
Investment properties[1]	632.7	448.2	41.2%
Other assets	13.3	1.1	nm
Total assets	**646.8**	**451.6**	**43.2%**
Liabilities			
Interest bearing liabilities[2]	180.8	75.8	138.4%
Provision for distribution	6.7	6.0	13.0%
Other liabilities	6.0	10.5	(42.8%)
Total liabilities	**193.5**	**92.3**	**109.7%**
Net assets	**453.3**	**359.3**	**26.1%**
Stapled securities on issue ('000)	123,430	109,685	12.5%
NTA per stapled security ($)	**$3.67**	**$3.27**	**12.2%**

1. Comprises 98 properties valued at $627.9 million plus 1 property (Hillcrest) held for development valued at $4.8 million.
2. Represents $181.5 million of drawn debt net of unamortised borrowing costs of $0.7 million.

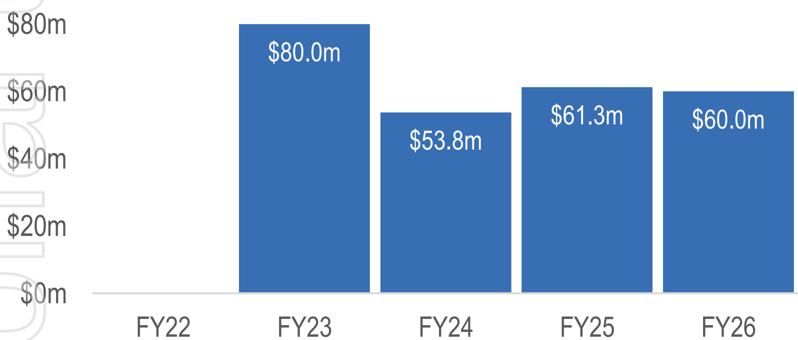
Capital management

Active capital management to support growth strategy

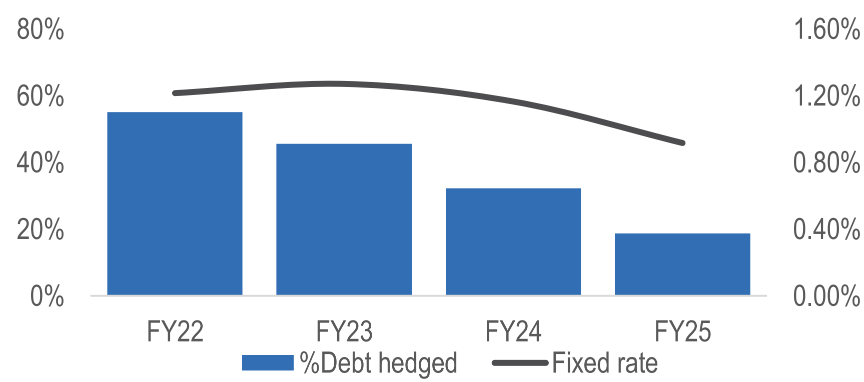
- New equity raised of $47.4m during the period[1]
  - DRP operated for the June 2021 quarter raising a further $0.8 million post balance date
- Launching a fully underwritten $45 million institutional placement and $5 million SPP post balance date
- Increased debt facilities by $90 million
  - New 3, 4 and 5 year tenors
  - Introduction of a new financier to the banking syndicate

Key metric	June 2021
Facility limit[2]	$255.0m
Drawn debt	$181.5m
Undrawn debt	$73.6m
Gearing	28.2%
ICR	7.0x
Average all-in cost of debt (including line, margin, establishment fees and hedge costs)	3.0%
Weighted average debt maturity (years)	2.9
Drawn debt hedged	55.1%
Weighted average hedge maturity (years)	2.8

Debt maturity profile



Interest rate hedge profile



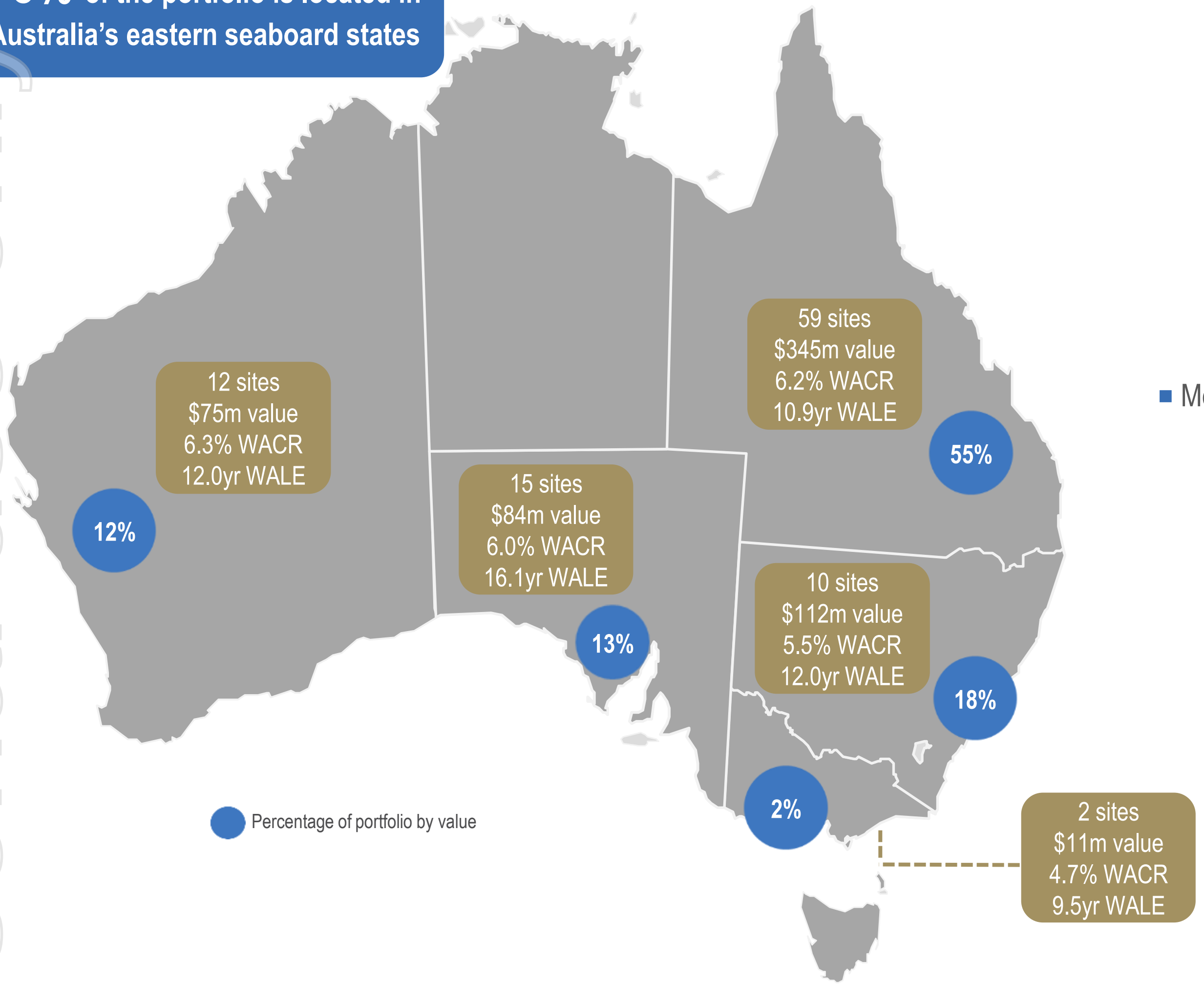
1. New equity raised includes: $30m fully underwritten institutional placement in December 2020, total of $15m from the securities purchase plan in July 2020 and January 2021 and a total of $2.4m from the DRP for the June 2020, September 2020 and December 2020 quarter distributions.
2. Excludes a $20m at-call accordion facility which is at the option of the Fund to determine when the facility is made available subject to customary terms in the debt documentation.

03 PORTFOLIO OVERVIEW

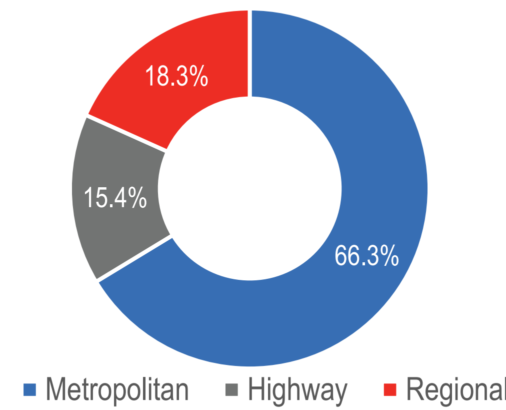
Woolworths Caltex Capalaba, QLD

Diversified portfolio

75% of the portfolio is located in Australia's eastern seaboard states



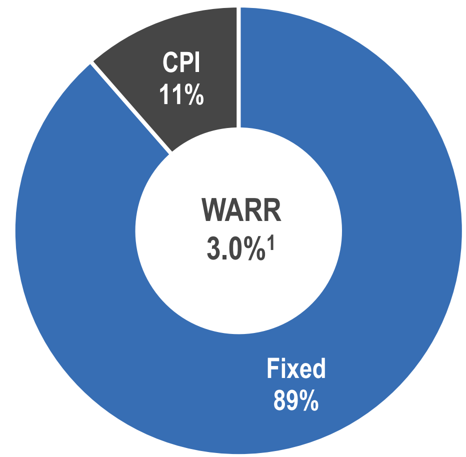
Portfolio by site classification



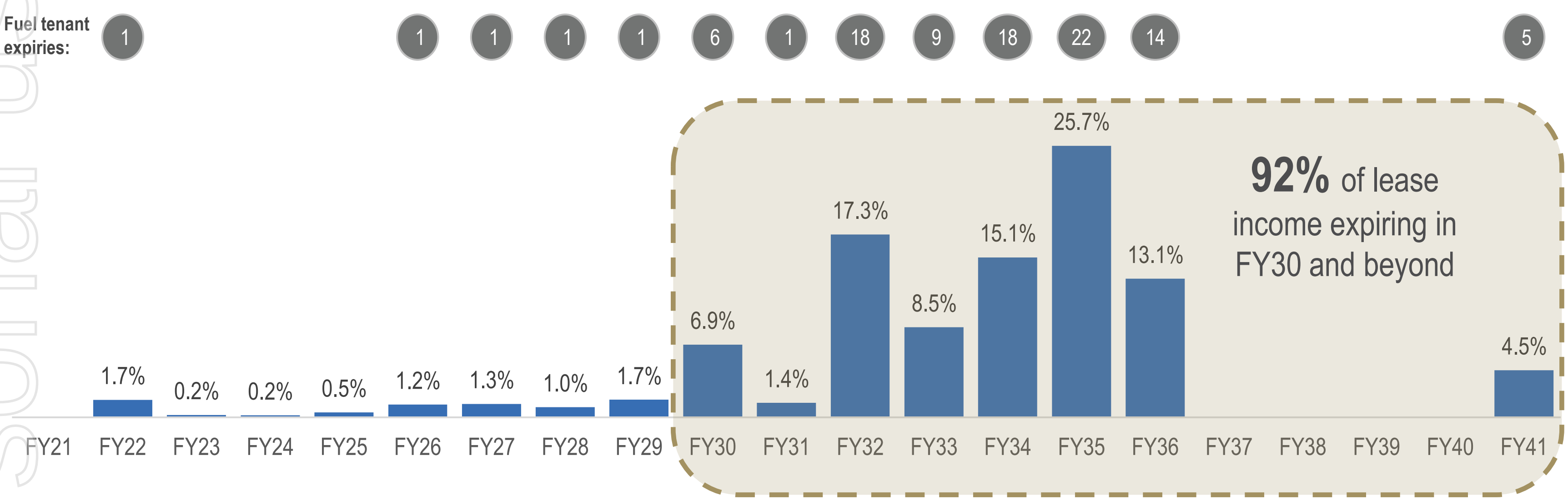
Sustainable and secure income through long dated leases

- 15 new long term lease deals with major fuel tenants completed in FY21
  - 7-Eleven Raceview – 12 year lease extension out to FY34
  - 7-Eleven Maroochydore – new 12 year lease expiring FY33
  - EG lease (13 in total) – new 10 year leases expiring FY32

Rent review type by income



Lease expiry profile (by income)



1. Weighted Average Rent Review (WARR), assuming CPI of 1.0%.

Development projects

$18.7 million of development expenditure in FY21

- 3 developments completed in FY21
- Hillcrest, SA – remaining $3.7 million committed to complete
- A further 3 projects valued at $24.5 million currently under due diligence

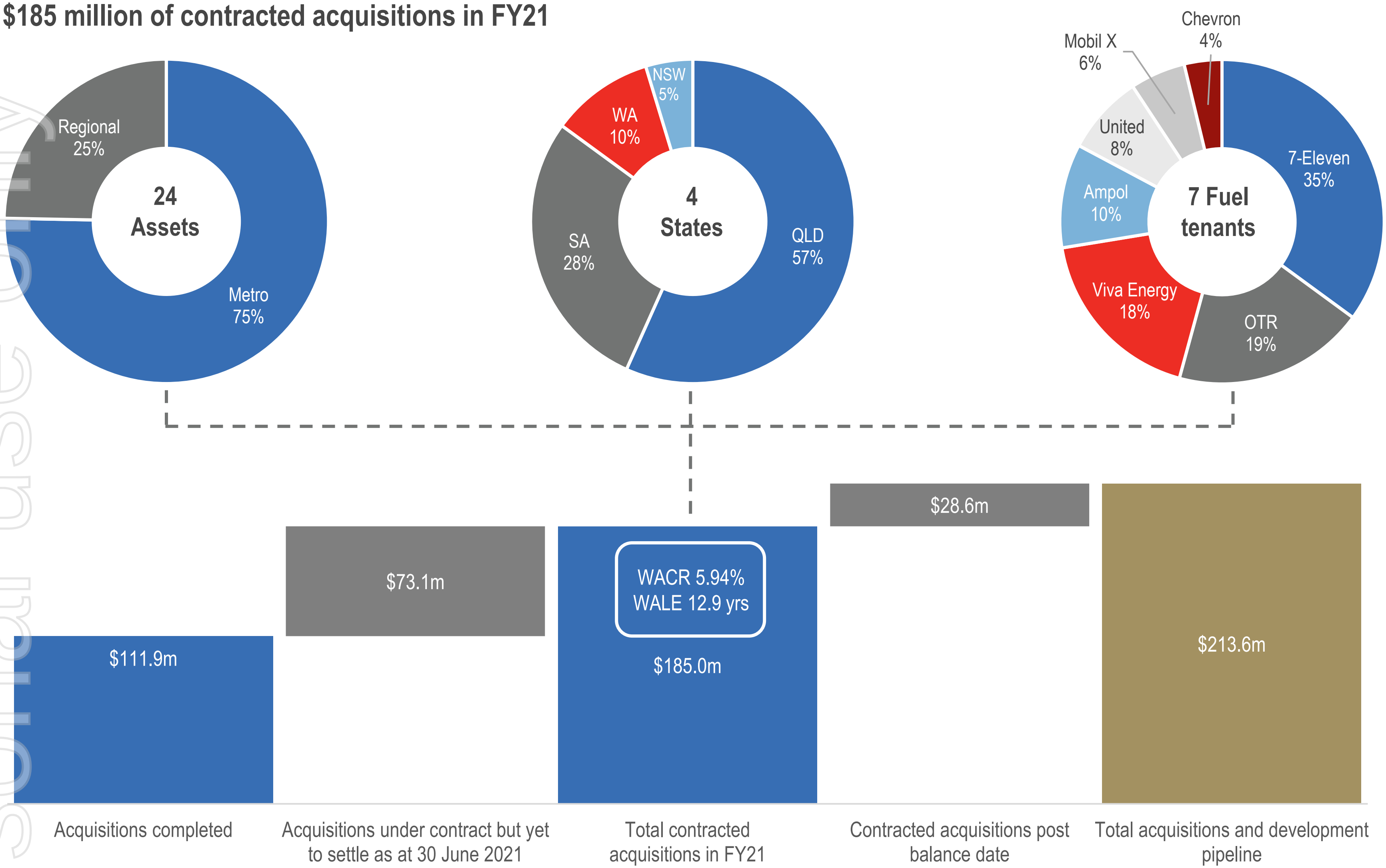
Mobil X & KFC Sheidow Park, SA

Site	Site type	Tenant(s)	Total cost ($m)	Spend to date ($m)	WACR[1]	WALE[2]	Target completion[3]
Grand Junction, SA	Metro	Liberty	$5.4m	$5.4m	6.10%	15.0	Completed Q3 2020
Taperoo, SA	Metro	Liberty	$5.3m	$5.3m	6.10%	15.0	Completed Q3 2020
Sheidow Park, SA	Metro	Mobil X / KFC	$6.8m	$6.8m	5.90%	13.4	Completed Q4 2020
Hillcrest, SA	Metro	Mobil X / Hungry Jacks	$8.5m	$4.8m[4]	5.50%	15.0	Q3 2021
Total			**$26.0m**	**$22.3m**	**5.85%**	**14.6**	

1. WACR at time of entering into the development agreement.
2. WALE at time of Practical Completion.
3. Indicative only. Timing is subject to change due to unforeseen events.
4. $1.2 million was spent in FY21. Total committed development spend remaining is $3.7 million.

Acquisitions enhancing portfolio scale and diversity

$185 million of contracted acquisitions in FY21



04 ACQUISITIONS & EQUITY RAISING

Brisbane Airport Link Service Centre, QLD

Acquisitions and equity raising overview

Acquisitions

- The Fund has entered into sale contracts to acquire two service station and convenience retail properties in Queensland (the “Acquisitions”)
  - One property has settled while the other is expected to settle in September 2021
- Total consideration of $28.6 million (excluding transaction costs) reflects a 5.8% initial yield, supported by long leases to high quality tenants
  - A WALE of 8.7 years[1] and weighted average rent increases of 3.0% per annum across the Acquisitions

Equity raising

- The Fund will undertake a fully underwritten:
  - institutional placement to raise approximately $45 million (“Placement”) and;
  - security purchase plan to eligible securityholders[2] in Australia and New Zealand to raise $5 million[3] (“SPP”) (together the “Offer”)
- Proceeds from the Offer will be used to fund the Acquisitions, associated transaction costs of the Acquisitions and associated transaction costs incurred in connection with the Offer and to repay debt and to support the Fund’s core business activities

Gearing impact

- The Fund’s pro forma gearing[4] on completion of the Acquisitions and the Offer is forecast to be 31.2%, maintaining balance sheet strength and providing flexibility to pursue future growth opportunities
  - Within the Fund’s target gearing range of 25–40%

Pricing

- Securities issued under the Placement will be issued at a fixed price of $3.60 per security, representing a:
  - 3.2% discount to the last closing price of $3.72; and
  - 2.8% discount to the 5-day VWAP of $3.70 (both as at 16 August 2021)
  - 6.4% FY22 distribution yield[5]
- Securities issued under the SPP will be issued at the lower of $3.60 per security or a 2.5% discount to the 5-day volume weighted average price at the end of the SPP offer period

1. By income, as at 16 August 2021.
2. Securityholders are restricted from being issued more than $30,000 worth of securities under an SPP in any consecutive 12 month period. As such, the amount eligible securityholders are able to subscribe for under the SPP will be reduced by any amount received under AQR’s previous SPP announced on 8 December 2020 and issued on 20 January 2021.
3. The Fund may (in its absolute discretion) in a situation where total demand exceeds $5 million, decide to increase the amount to be raised under the SPP to reduce or eliminate the need for scale back.
4. Pro forma 30 June 2021 balance sheet adjusted for the previously announced acquisitions and DRP and adjusted for the Acquisitions and Offer.
5. Based on FY22 distribution guidance of 22.9 cps and issue price of $3.60 per security.

Acquisitions and equity raising overview (cont'd)

Ranking	▪ New securities issued under the Placement and the SPP will rank equally with existing AQR securities from the date of issue ▪ New securities issued under the Placement and the SPP will be entitled to AQR's expected September 2021 distribution
Underwriting	▪ The Offer is fully underwritten by MA Moelis Australia Advisory Pty Ltd ("Moelis Australia") (the "Underwriter")

Sources of proceeds	$m
Offer proceeds	50.0
Total sources	**50.0**

Uses of proceeds	$m
Acquisitions	28.6
Stamp duty	1.6
Other transaction costs	1.4
Debt repayment	18.4
Total uses	**50.0**


United Gordonvale, QLD

Acquisitions overview

Property	State	Site type	Major tenant	Purchase price ($m)[1]	Initial yield	WALE (years)[2]	WARR[3]	Expected settlement
Gordonvale	QLD	Highway	United, McDonald's, Subway	$18.4m	5.77%	9.4	2.5%	Sept 2021
Kingston	QLD	Metro	7-Eleven, Zambrero	$10.2m	5.75%	7.5	4.0%	Aug 2021
Total Acquisitions				**$28.6m**	**5.77%**	**8.7**	**3.0%**	

7-Eleven Kingston, QLD

1. Excluding transaction costs.
2. By income, as at 16 August 2021.
3. Assuming CPI of 1.0%.

Key metrics post Acquisitions and Offer

109 PROPERTIES	**99.6%** OCCUPANCY	**$738m** PORTFOLIO VALUE	**6.0%** WACR
6.4% FY22 DPS YIELD[1]	**31.2%** PRO FORMA GEARING[2]	**$510m** MARKET CAP[3]	**11.7** WALE[4]

1. Distribution Per Security (DPS), based on the issue price of $3.60 per security and FY22 DPS guidance of 22.9 cps.
2. Pro forma gearing represents 30 June 2021 balance sheet adjusted for the contracted transactions at balance date, June 2021 DRP and the Acquisitions and Offer.
3. Based on AQR's security price on 16 August 2021, plus the $50 million Offer.
4. By income, as at 16 August 2021.

Pro forma balance sheet

$m	30 June 2021	Contracted transactions at balance date[1]	Acquisitions and Offer	Pro forma post Acquisitions and Offer[2]
Cash and cash equivalents	0.8			0.8
Investment properties	632.7	76.8	28.6	738.1
Other assets	13.4	(7.9)		5.5
Total assets	**646.8**	**69.0**	**28.6**	**744.3**
Interest bearing liabilities	180.8	68.2	(18.4)	230.6
Provision for distribution	6.8			6.8
Other liabilities	6.0			6.0
Total liabilities	**193.6**	**68.2**	**(18.4)**	**243.3**
Net assets	**453.2**	**0.8**	**47.0**	**501.0**
Securities on issue (m)	123.4	0.2	13.9	137.5
NTA per security ($)	**$3.67**			**$3.64**
Gearing	**28.2%**			**31.2%**

1. Includes contracted acquisitions, development pipeline and DRP proceeds from the June 2021 distribution.
2. Pro forma balance sheet represents 30 June 2021 balance sheet adjusted for the contracted transactions at balance date, June 2021 DRP and the Acquisitions and Offer.

Indicative timetable

Event	Date
Record date for SPP	7.00pm, Monday 16 August 2021
Trading halt and announcement of Placement	Tuesday, 17 August 2021
Placement bookbuild	Tuesday, 17 August 2021
Settlement of new securities issued under the Placement	Friday, 20 August 2021
Allotment and normal trading of securities issued under the Placement	Monday, 23 August 2021
SPP offer opens and booklet is dispatched	Wednesday, 25 August 2021
SPP offer closes	5.00pm, Thursday, 16 September 2021
Allotment of securities issued under the SPP	Thursday, 23 September 2021
Despatch of holding statements and normal trading of new securities issued under the SPP	Friday, 24 September 2021

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time.

05 OUTLOOK & GUIDANCE

Woolworths Caltex Mitchelton, QLD

Outlook and guidance

Capacity to pursue accretive acquisition opportunities

- AQR is well positioned
  - Passive income stream with contracted rental increases providing sustainable income growth
  - Clear and focused acquisition growth strategy backed by a strong balance sheet with pro forma gearing of 31.2%[1] – providing capacity to pursue further accretive acquisition opportunities
- FY22 FFO and DPS guidance of 22.9 cents per security, up 4.6% on FY21
  - Guidance includes the impact of the Acquisitions and Offer, but no further acquisitions
  - Subject to current market conditions continuing and no unforeseen events

Puma South Kempsey, NSW

1. Pro forma gearing represents 30 June 2021 balance sheet adjusted for the contracted transactions at balance date, June 2021 DRP and the Acquisitions and Offer.

APPENDICES

- Appendix A – Profit and Loss statement
- Appendix B – Reconciliation to FFO
- Appendix C – Portfolio revaluations
- Appendix D – Property portfolio
- Appendix E – Sector update
- Appendix F – Key risks
- Appendix G – Foreign selling restrictions

Liberty Pooraka, SA

Appendix A – Profit and Loss statement

Financial year ended	FY21	FY20
	$'000	$'000
Income		
Net property income	33,232	26,352
Straight lining of rental income	4,492	4,175
Other income	350	111
Interest income	136	25
Total income	**38,210**	**30,663**
Expenses		
Management fees	(3,457)	(2,526)
Finance costs	(538)	(4,595)
Corporate costs	(4,218)	(693)
Total expenses	**(8,213)**	**(7,814)**
Net profit	**29,997**	**22,849**
Fair value loss on derivatives	1,603	(952)
Fair value gain on investment properties	42,218	23,902
Statutory net profit	**73,818**	**45,799**

Appendix B – Reconciliation to FFO

Financial year ended	FY21	FY20
	$'000	$'000
Statutory net profit	**73,818**	**45,799**
Adjusted for:		
Straight line lease revenue recognition	(4,492)	(4,175)
Fair value (gain) on investment properties	(42,218)	(23,902)
Fair value (gain) on derivatives	(1,603)	952
Amortisation of borrowing costs	266	483
Amortisation of leasing costs and rent-free adjustments	157	107
FFO	**25,928**	**19,264**
Distributions	**26,372**	**20,451**
Weighted average securities on issue (thousands)	118,335	89,153
Payout ratio (Distribution / FFO)	100%	101%
Distribution (cents per security)	21.9	21.8
FFO (cents per security)	21.9	21.6

Appendix C – Portfolio revaluations

12.1% portfolio revaluation uplift

Site type	No. of properties	Valuation ($m)	Cap rate	Valuation change ($m)	Valuation change %
Metropolitan	70	$416.5	5.8%	$40.1	+14.7%
Regional	22	$114.9	6.8%	$4.0	+4.7%
Highway	6	$96.5	5.9%	$9.8	+11.3%
Portfolio	**98**	**$627.9**	**6.0%**	**$53.9**	**+12.1%**

- Valuation uplift of $53.9 million driven by a combination of annual rental increases and cap rate compression
  - Portfolio weighted average cap rate tightened 56bps from 6.58% at 30 June 2020 to 6.02% as at 30 June 2021
- All properties were the subject of independent valuations during the financial year

Mobil X Gepps Cross, SA

Appendix D – Property portfolio – 30 June 2021

Property	State	Major Tenant	Site Type	Book value ($m)	Cap rate (%)	WALE (years)	Occupancy (by income)	Land Area (sqm)
440 Roadhouse	WA	Chevron	Regional	$5.4	7.75%	13.1	100%	11,372
Acacia Ridge	QLD	Viva Energy	Metropolitan	$11.5	5.75%	7.3	100%	6,098
Aeroglen	QLD	Chevron	Metropolitan	$4.2	6.50%	12.5	100%	3,224
Atherton	QLD	Chevron	Metropolitan	$2.2	6.75%	13.5	100%	1,619
Ayr	QLD	Coles Express	Regional	$5.1	6.75%	8.0	100%	2,015
Balcatta	WA	Chevron	Metropolitan	$7.0	6.00%	11.1	100%	2,500
Banana	QLD	Chevron	Regional	$3.8	7.50%	14.2	100%	10,100
Bayswater North	VIC	EG Australia	Metropolitan	$6.2	4.50%	8.7	100%	4,286
Bellevue	WA	Viva Energy	Metropolitan	$6.2	6.65%	12.2	100%	2,064
Belmont North	NSW	EG Australia	Metropolitan	$9.1	4.50%	10.7	100%	2,953
Bentley Park	QLD	Chevron	Metropolitan	$7.0	6.00%	11.5	100%	3,251
Berrinba	QLD	United	Metropolitan	$8.3	6.00%	13.0	100%	3,639
Bli Bli	QLD	Chevron	Metropolitan	$3.8	7.00%	12.1	100%	3,500
Bohle	QLD	Chevron	Metropolitan	$7.3	6.50%	12.5	100%	7,733
Bowen	QLD	Chevron	Regional	$4.2	6.75%	13.5	100%	10,806
Bray Park	QLD	7-Eleven	Metropolitan	$4.8	6.00%	8.1	100%	1,967
Browns Plains	QLD	7-Eleven	Metropolitan	$6.5	6.00%	8.8	100%	2,776
Bundaberg West	QLD	Chevron	Metropolitan	$2.4	5.75%	13.5	100%	898
Caboolture	QLD	Chevron	Metropolitan	$7.1	6.00%	9.4	100%	4,947
Cairns	QLD	Viva Energy	Regional	$6.7	6.50%	9.1	89%	2,833
Canning Vale	WA	EG Australia	Metropolitan	$7.6	5.75%	10.7	100%	2,912
Capalaba	QLD	EG Australia	Metropolitan	$5.4	5.50%	10.3	100%	3,369
Charters Towers	QLD	Chevron	Regional	$6.3	8.00%	13.5	100%	28,800
Citiswich Service Centre	QLD	Chevron	Highway	$22.1	5.75%	13.5	100%	18,190
Cluden	QLD	Chevron	Highway	$16.5	6.00%	13.1	100%	10,001
Dakabin	QLD	7-Eleven	Metropolitan	$5.3	5.75%	10.2	100%	3,324
Durack	QLD	7-Eleven	Metropolitan	$6.6	6.25%	8.2	100%	5,929
Edinburgh	SA	Viva Energy	Metropolitan	$5.9	5.75%	14.0	100%	9,371

Appendix D – Property portfolio – 30 June 2021 (cont'd)

Property	State	Major Tenant	Site Type	Book value ($m)	Cap rate (%)	WALE (years)	Occupancy (by income)	Land Area (sqm)
Enoggera	QLD	Chevron	Metropolitan	$2.5	6.00%	12.1	100%	1,093
Forbes	NSW	Ampol	Regional	$8.7	6.25%	8.9	100%	3,548
Garbutt	QLD	Chevron	Metropolitan	$3.1	6.25%	13.5	100%	5,100
Gatton	QLD	Coles Express	Regional	$5.6	6.50%	4.7	100%	1,727
Geelong North	VIC	EG Australia	Metropolitan	$5.2	5.00%	10.3	100%	3,441
Gepps Cross	SA	Mobil X	Metropolitan	$5.1	6.25%	13.8	100%	3,850
Gin Gin	QLD	Chevron	Regional	$4.5	7.00%	10.7	100%	20,380
Glasshouse Mountains	QLD	Chevron	Regional	$5.7	6.75%	13.1	100%	5,133
Glenunga	SA	OTR	Metropolitan	$6.1	5.50%	19.9	100%	1,488
Gosnells	WA	Viva Energy	Metropolitan	$5.0	6.00%	13.9	100%	1,757
Gwelup	WA	Chevron	Metropolitan	$4.7	6.00%	12.1	100%	1,089
Hamilton Hill	WA	Chevron	Metropolitan	$5.9	6.00%	12.1	100%	1,998
Hampstead Gardens	SA	Mobil X	Metropolitan	$4.7	6.05%	13.8	100%	1,972
Hendra	QLD	Ampol	Metropolitan	$11.6	5.50%	12.2	100%	5,929
Inverell	NSW	Coles Express	Regional	$5.9	6.00%	8.8	100%	1,426
Kapunda	SA	OTR	Regional	$5.5	6.25%	19.9	100%	1,447
Kedron	QLD	Chevron	Metropolitan	$4.2	6.00%	14.1	100%	1,604
Kempsey South Service Centre	NSW	Chevron	Highway	$26.2	5.50%	13.5	100%	49,530
Koongal	QLD	Chevron	Metropolitan	$2.5	6.25%	12.5	100%	736
Kurri Kurri	NSW	Chevron	Highway	$11.5	5.50%	13.5	100%	41,650
Lawnton	QLD	Viva Energy	Metropolitan	$4.8	7.00%	0.6	100%	5,553
Lonsdale	SA	Mobil X	Metropolitan	$4.5	6.35%	14.8	100%	2,400
Mango Hill	QLD	EG Australia	Metropolitan	$6.5	5.25%	10.2	100%	4,317
Marayong	NSW	EG Australia	Metropolitan	$9.4	4.75%	10.1	100%	4,874
Maroochydore	QLD	7-Eleven	Metropolitan	$7.5	6.00%	9.8	100%	2,360
Maryborough	QLD	Chevron	Metropolitan	$2.4	7.25%	14.1	100%	1,618
Midtown	QLD	Chevron	Metropolitan	$6.6	6.00%	14.1	100%	2,073
Mitchelton	QLD	EG Australia	Metropolitan	$5.4	5.50%	10.4	100%	3,188

Appendix D – Property portfolio – 30 June 2021 (cont'd)

Property	State	Major Tenant	Site Type	Book value ($m)	Cap rate (%)	WALE (years)	Occupancy (by income)	Land Area (sqm)
Monto	QLD	Chevron	Regional	$1.5	7.00%	12.5	100%	1,604
Moorooka	QLD	Viva Energy	Metropolitan	$10.5	5.75%	9.9	100%	3,078
Moranbah	QLD	Chevron	Regional	$6.9	6.50%	11.5	100%	5,067
Moree	NSW	Chevron	Highway	$12.3	6.50%	11.7	100%	30,500
Mt Cotton	QLD	EG Australia	Metropolitan	$6.6	5.50%	10.3	100%	4,021
Mt Larcom	QLD	Chevron	Highway	$8.0	6.50%	12.1	100%	12,482
Murrarie	QLD	EG Australia	Metropolitan	$5.3	5.50%	8.8	100%	3,625
Murray Bridge Eastside	SA	OTR	Regional	$3.9	6.50%	19.9	100%	3,610
Nambour	QLD	Chevron	Metropolitan	$1.5	7.25%	13.1	100%	2,097
Naracoorte	SA	OTR	Regional	$8.1	6.25%	19.9	100%	9,846
Northgate	QLD	EG Australia	Metropolitan	$5.6	5.50%	10.3	100%	2,969
Orana	WA	Viva Energy	Metropolitan	$6.6	6.50%	11.5	100%	3,220
Paradise	SA	Mobil X	Metropolitan	$5.7	6.15%	14.9	100%	2,835
Peregian Beach	QLD	Chevron	Metropolitan	$4.1	6.25%	12.5	100%	1,016
Pooraka	SA	Viva Energy	Metropolitan	$5.6	5.75%	13.5	100%	1,977
Port Adelaide	SA	Viva Energy	Metropolitan	$5.6	5.75%	13.4	100%	3,851
Port Adelaide - Grand Junction	SA	Viva Energy	Metropolitan	$5.7	5.75%	14.2	100%	2,891
Portsmith	QLD	Chevron	Metropolitan	$7.0	6.25%	13.5	100%	6,032
Puma Mango Hill	QLD	Chevron	Metropolitan	$4.9	6.25%	13.1	100%	4,366
Puma Woodridge	QLD	Chevron	Metropolitan	$6.0	6.00%	12.1	100%	5,000
Raceview	QLD	7-Eleven	Metropolitan	$9.4	6.25%	6.0	87%	3,085
Redbank Plains	QLD	7-Eleven	Metropolitan	$6.4	6.00%	8.1	100%	4,231
Reid River	QLD	Chevron	Regional	$2.9	8.50%	12.5	100%	21,800
Rockhampton	QLD	BP	Regional	$6.0	6.75%	5.8	100%	1,102
Roseneath	QLD	Chevron	Regional	$8.2	7.00%	14.1	100%	13,501
Rosslea	QLD	Chevron	Metropolitan	$3.3	5.75%	11.5	100%	2,474
Rutherford	NSW	Chevron	Metropolitan	$7.4	5.25%	13.5	100%	2,609
Sarina	QLD	Chevron	Regional	$2.2	7.00%	13.5	100%	1,679

Appendix D – Property portfolio – 30 June 2021 (cont'd)

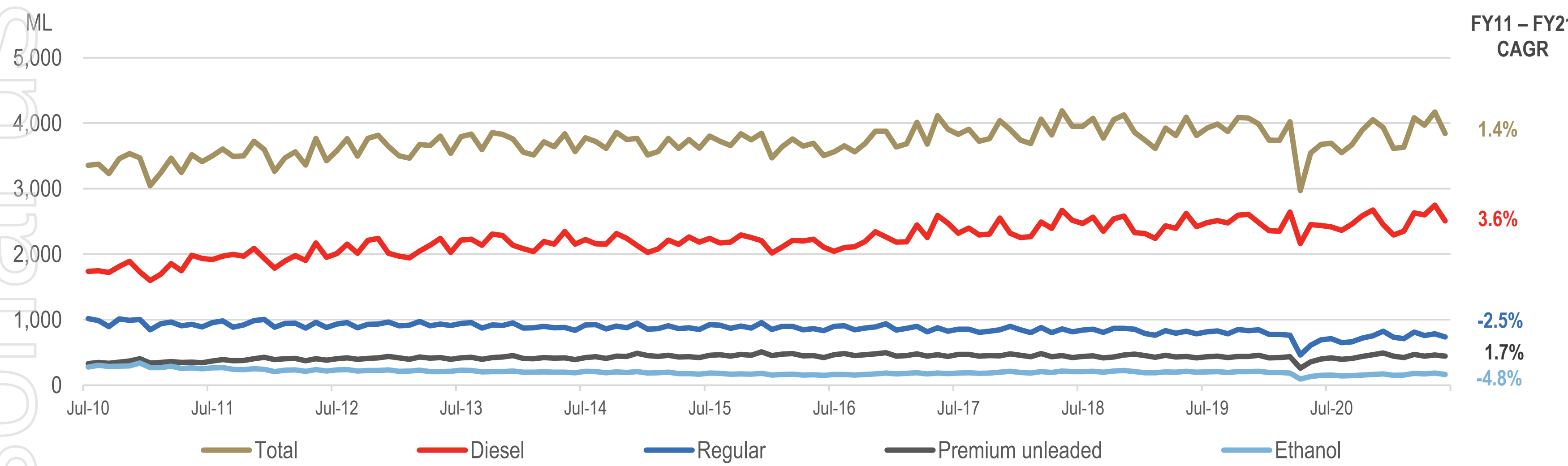
Property	State	Major Tenant	Site Type	Book value ($m)	Cap rate (%)	WALE (years)	Occupancy (by income)	Land Area (sqm)
Sheidow Park	SA	Mobil X	Metropolitan	$7.1	5.75%	14.5	100%	2,196
Slacks Creek	QLD	EG Australia	Metropolitan	$5.4	5.50%	10.3	100%	2,799
South Hedland	WA	Chevron	Regional	$6.1	7.50%	12.3	100%	4,027
South Lake	WA	EG Australia	Metropolitan	$8.4	5.75%	10.6	100%	4,287
Southern River	WA	7-Eleven	Metropolitan	$5.9	6.00%	11.2	100%	1,993
Taperoo	SA	Viva Energy	Metropolitan	$5.5	5.75%	14.1	100%	2,077
The Gap	QLD	Chevron	Metropolitan	$4.2	6.00%	12.1	100%	2,294
Thornton	NSW	Chevron	Metropolitan	$11.5	5.50%	12.1	100%	8,550
West Beach	SA	OTR	Metropolitan	$4.5	5.75%	19.9	100%	2,044
Wetherill Park	NSW	Chevron	Metropolitan	$10.5	5.25%	14.1	100%	7,024
Woodridge	QLD	7-Eleven	Metropolitan	$6.3	6.00%	8.4	100%	1,609
Woree	QLD	Chevron	Metropolitan	$1.7	6.75%	11.5	100%	1,376
Yanchep	WA	Chevron	Metropolitan	$6.8	6.25%	14.2	100%	3,068
Zilzie	QLD	Chevron	Regional	$1.8	6.75%	11.5	100%	1,300
				$627.9	**6.02%**	**11.9**	**99.6%**	**556,970**

Appendix E – Sector update
Australian fuel sales

Demand for traditional fuels is expected to remain resilient in the near-to-medium term

- Demand for traditional fuels is expected to remain resilient in the near-to-medium term, particularly for freight transport[1]
  - Driven by population growth, population dispersion, reliance on road transport (passenger and freight)
- Fuel sales were impacted by COVID-19 lock downs in 2020 but have normalised
  - Continued growth in diesel and premium fuels
  - Diesel vehicles represent 26.4% of total vehicles (up from 20.9% in 2016)[2], however diesel accounts for 65% of total fuel sales[3] (predominately due to freight vehicles)
  - Regular petrol and Ethanol in decline

Australian automotive fuel sales by type[3]



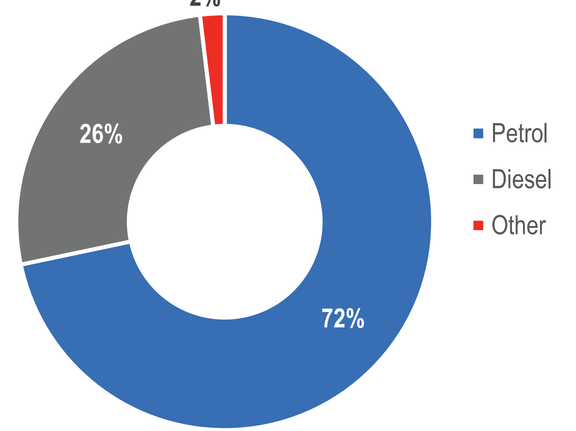
1. Australian Government, Future Fuels Strategy: Discussion Paper, February 2021.
2. ABS Motor Vehicle Census, Australia, 31 January 2021.
3. Department of the Environment and Energy, Australian Petroleum Statistics Issue 298, May 2021 (annualised).

Appendix E – Sector update
Motor vehicle statistics

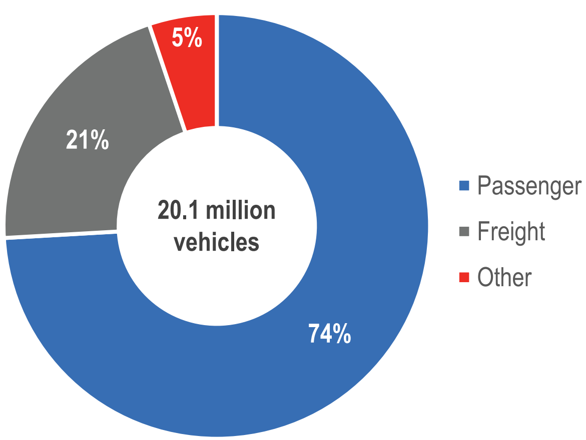
Freight vehicles account for 77% of diesel consumption

- Currently 20.1 million registered vehicles, consuming ~33 billion litres of fuel per annum
  - 10yr CAGR of vehicle registrations is 2.1%
  - Passenger vehicles account for 74% of total vehicles but only responsible for of 55% of total fuel consumption
  - Freight vehicles account for 21% of total vehicles but responsible for 43% of total fuel consumption, and 77% of total diesel consumption
  - Average vehicle travels 12,100km per year
- EVs represent 0.1% of total registered vehicles[1]

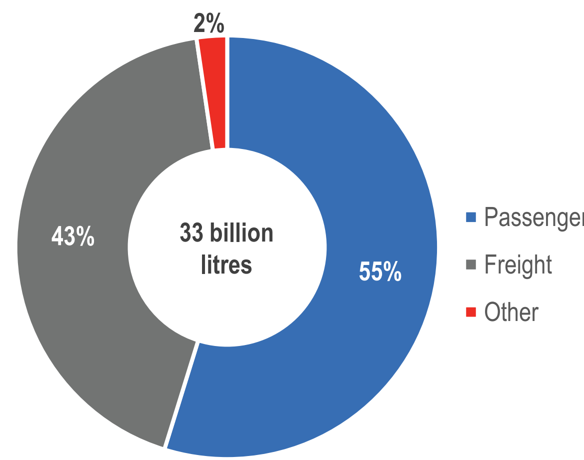
Vehicles by fuel type[1]



Vehicle types[1]



Fuel consumption by vehicle type[2]



1. ABS Motor Vehicle Census, Australia, 31 January 2021. Freight vehicles include light commercial vehicles, rigid trucks and articulated trucks. Other includes motorcycles, buses and non-freight carrying trucks.
2. ABS Survey of Motor Vehicle Use, Australia, 12 months ended 30 June 2020.

Appendix E – Sector update
Australian EV forecasts

CSIRO's 'Fast' scenario projects EVs could likely reach 45% of all vehicles on the road by 2050

- EV's represented less than 0.6% of new car sales in 2020[1], lagging other markets
  - Key barriers to EV take up include price differential, lack of charging infrastructure, range anxiety, limited model availability and lack of government support[2]
- Hydrogen fuel cell vehicles are projected to capture less than 10% of vehicle sales across all scenarios (1 – 6% of total vehicles), but will make up 50% of articulated trucks (long-haul freight)[4]

Comprising ~16.5m EV's and ~20.2m conventional vehicles – compared to 20.1m conventional vehicles today[3]

CSIRO EV projections[4]

EV share of sales:	Cost parity	2035	2040	2045	2050
Slow	2035	25%	30%	30%	30%
Central	2030	40%	45%	45%	45%
Fast	2025	60%	60%	55%	55%
Step Change[4]	2025	80%	80%	100%	100%

EV share of total vehicles:	Cost parity	2035	2040	2045	2050
Slow	2035	5%	15%	20%	25%
Central	2030	10%	25%	30%	35%
Fast	2025	25%	37%	45%	45%
Step Change[5]	2025	45%	70%	85%	100%

1. https://www.caradvice.com.au/914746/exclusive-tesla-sales-in-australia-revealed-up-16-per-cent-in-2020/
2. Electric Vehicle Council, State of Electric Vehicles – August 2020.
3. Assuming vehicle registration growth rate of 2.1% per annum (based on current 10yr CAGR).
4. CSIRO, Projections for small-scale embedded technologies – June 2020. Amounts are approximate.
5. Step Change scenario represents a zero emission road transport sector by 2050, whereby 100% of all vehicles on the road will be completely electrified.

Appendix E – Sector update
Convenience retail behaviours

Convenience retail will ultimately overtake fuel as the key driver of profit and sales

Consumer behaviours[1]

- Fuel remains the primary reason for customer visitation – only 18% of fuel buyers purchase other products when they visit a service station, this is higher for inner-city residents (33%) and those under the age of 30 (25%)
- The convenience offer is rarely or never a consideration for 69% of consumers, but has a greater degree of influence on inner-city consumers and those aged under 30
- 29% of consumers visit a service station without buying fuel, again higher for inner-city residents (47%) and those under the age of 30 (42%)
- Service station visitation is increasing, with 55% visiting at least once a week – up from 49% in 2017
- 44% of consumers believe there is a role for an expanded convenience offer at service station sites

Opportunity

- Consumer behaviours are rapidly evolving and the convenience retail offer is becoming an increasingly important driver of site traffic, and will ultimately overtake fuel as the key driver of profit and sales
- Lines between C-stores and supermarkets will blur over time, and end-to-end services will become more prevalent (e.g. home deliveries and Amazon / postage lockers)
- Opportunity for significant growth given 69% of consumers rarely/never cite the convenience offering as a reason of where to stop[1]
- Operators are able to draw on international trends
  - In the US, 70% of store sales are generated from customers not buying fuel (and overall, 70% of gross profit is derived from store sales)[2]
  - In the UK, only 19% cite fuel as their main reason for stopping[3]

1. ACAPMA, 2019 Monitor of Fuel Consumer Attitudes.
2. Realty Income - Institutional Investor Presentation – January 2021.
3. KPMG, Fuel Forecourt Retail Market – August 2020.

Appendix F – Key risks

This section discusses some of the risks associated with an investment in AQR. AQR's business is subject to a number of risk factors both specific to its business and of a general nature which may impact its future performance and forecasts. Before subscribing for New Securities, prospective investors should carefully consider and evaluate AQR and its business and whether New Securities are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, as set out below.

The risk factors set out below are not exhaustive, and many of them are outside the control of AQR, its directors and senior management. Prospective investors should consider publicly available information on AQR, examine the full content of this presentation and consult their financial, tax and other professional advisers before making an investment decision.

Impact of COVID-19

Events relating to COVID-19 have resulted in significant market falls and volatility, including in the prices of securities trading on the ASX (including the price of AQR securities) and on other foreign securities exchanges. There is continuing uncertainty as to the further impact of COVID-19, including in relation to the government response, work stoppages, lockdown, quarantines, travel restrictions and unemployment. The effect such factors may have on AQR, tenants, the Australian economy and share markets continues to be uncertain. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on AQR's business. Given COVID-19 and other recent Australian and global macroeconomic events, Australia is experiencing economic volatility, which may in turn materially affect the operating and financial performance and prospects of AQR and continue to impact AQR's business.

Rental income and investment risk

AQR's revenue will largely depend on the tenants adhering to their obligations to pay rent under the leases. A failure of some of AQR's tenants to pay rent on time, or at all, is likely to materially adversely affect AQR's revenue, which may also adversely affect AQR's ability to service its loans and harm overall financial performance. Australian governments, at both federal and state levels, have or are introducing laws to limit the rights of landlords to enforce certain rights under leases and in certain cases, mandating the provision of rent relief to tenants. This includes the requirement to offer reductions in rent (as waivers or deferrals) based on tenant's reduction in trade during the COVID-19 pandemic period.

AQR earns the majority of its revenue from rental income. Any negative impact on rental income (including as a result of a failure of existing tenants to perform existing leases in accordance with their terms, which is heightened in the current economic environment) is likely to adversely affect AQR's revenue and consequently distributions or the value of the securities or both. AQR's ability to manage tenant performance issues could be adversely impacted by moratorium legislation restricting the ability of landlords to manage tenant performance impacted by COVID-19. Rents received from tenants across the portfolio and expenses incurred during operations may be affected by a number of factors, including:

- overall economic conditions such as growth or contraction in gross domestic product, demographic changes, employment trends, industrial relations changes and consumer sentiment;
- reduced consumption and increased consumer uncertainty and government lock-downs and market interventions as an anticipated consequence of the COVID-19 pandemic;
- the competitive landscape and tenant concentration;
- the financial performance and condition of tenants including as a result of volatility in oil prices, refining margins, exchange rates and macroeconomic cycles that can affect consumer demand for fuel;
- a downturn in the fuel retailing business in Australia generally, potentially by virtue of an increasing prevalence of alternatives to hydrocarbon-fuelled internal combustion engines, substantially higher fuel prices and new regulations;
- ability to extend leases or replace outgoing tenants with new tenants;
- increase in rental arrears and vacancy periods;
- reliance on a tenant which leases a material portion of the portfolio;
- an increase in unrecoverable outgoings;
- the location and quality of properties;
- operating, maintenance and refurbishment expenses, as well as unforeseen capital expenses;
- adverse environmental incidents; and
- supply and demand in the property marked.

Appendix F – Key risks (cont'd)

Re-leasing, market rent reviews and vacancy

The portfolio's leases come up for renewal on a periodic basis, and there is a risk that expiring leases may not be renewed in accordance with AQR's assumptions including in relation to vacancy periods, rents and lease terms, particularly in the current real estate market. Re-leasing properties on less favourable terms may have an adverse impact on AQR's profits, distributions and property value. Additional costs associated with re-leasing the properties could also arise.

In addition, at either lease expiry or upon exercise of an option to extend the term of a lease by a tenant, the rent payable will be subject to prevailing market conditions and market rent reviews, which may result in rents going up or down.

AQR has sought to manage this risk by incorporating contractual rental growth mechanisms into long term leases. These mechanisms mean that the rent to be paid will increase as per the terms of the rental growth mechanism, insulating AQR from adverse market conditions.

Property valuations

The value of the properties held by AQR may be impacted by a number of risks outside of the control of AQR, affecting the property market generally, as well as AQR in particular. These factors may be exacerbated by the impact of COVID-19 and include, but are not limited to:

- changes in market rental rates influenced by the fuel volume throughput of the property and associated gross margin and the gross convenience store sales at the property;
- changes in property yields;
- fluctuating occupancy levels;
- tenants defaulting;
- a downturn in local property markets or property markets in general;
- pricing or competition policies of any competing properties; and
- general economic factors such as the level of inflation and interest rates and economic cycles, both within Australia and overseas.

A reduction in the value of properties may result in a reduction in the value of securities and may cause AQR to breach its financial covenants or impact on AQR's financing arrangements (see Funding risk).

AQR has its properties independently revalued regularly in accordance with its valuation policy; however, reported valuations (including those of directors) represent only the analysis and opinion of such persons at a certain date, and are not guarantees of present or future values. The value of the assets may impact on the value of an investment in AQR and changes in market valuation of assets may adversely affect AQR's financial position and performance.

Realisation of assets and liquidity

Property assets are, by their nature, illiquid investments. This may make it difficult to alter the balance of income sources for AQR in the short term in response to changes in economic or other conditions. AQR may not be able to realise the assets within a short period of time or may not be able to realise assets at valuation including selling costs, which could materially adversely affect the performance of AQR and distributions.

Funding risk

Changes in AQR's ability to raise funds (from either debt or equity markets), and the terms on which such funds are or can be raised, could result in an increased cost of funding, limited access to capital, increased refinancing risk for AQR and/or an inability to expand operations or purchase assets in a manner that may benefit AQR and its securityholders. Such changes could arise from numerous factors, including general economic and political conditions, debt and equity capital market conditions and the performance, reputation and financial strength of the REIT and its tenants.

AQR is a geared investment product and relies upon debt funding as an integral part of its capital structure. The extent to which AQR is geared will magnify the effect of changes in property valuations. Changes in interest rates and the availability and cost of finance will affect the operational and financial results of AQR. AQR's ability to refinance its debt facilities and/or interest rate hedges as they fall due will depend upon its financial position and performance and the prevailing market conditions. An inability to refinance the existing debt facilities and/or enter into new debt facilities or interest rate hedges on similar terms and conditions may have an adverse impact on the operational and financial results of AQR.

Appendix F – Key risks (cont'd)

Interest rate risk

Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact AQR's funding costs adversely, resulting in a decrease in distributable income. Where interest rates are hedged by way of financial instruments, the value of those instruments can vary substantially which can impact on both earnings and net assets.

Banking covenants

AQR has various covenants in relation to its banking facilities, including interest cover and leverage ratio requirements. Unforeseen factors such as falls in asset values or the inability of AQR to extend current leases could lead to a breach in debt covenants. In such an event, AQR's lenders may require their loans to be repaid immediately or compel AQR to sell assets at below market value. Furthermore, there is a risk that unforeseen capital expenditure may impact upon the cash available to service debt.

Capital expenditure risk

There is a risk that, due to unforeseen circumstances (not covered by insurance), AQR may have to make additional capital expenditure on the properties. Some examples of these circumstances include damage caused by fire, flood or other disaster, changes to laws or council requirements such as environmental, building or safety regulations, or property defects or environmental issues which become apparent in the future. Additionally, unforeseen capital expenditure may be required to maintain the properties in their current condition. If AQR incurs unforeseen capital expenditure, this may affect returns available to securityholders.

Development risk

There is a risk that future developments or redevelopments of properties could be delayed and/or cost more than expected. This could result in an adverse impact on AQR's financial performance. The risks faced by AQR in relation to a future project will depend on the terms of the transaction. There is a risk that a developer engaged on any given project is unable to complete the specified works on time or could default on other obligations under its contract. Completion of construction works may be delayed for a number of reasons, including industrial disputes, inclement weather, permitted variations to the works, changes to legislative requirements, delays in authority inspections or approvals or a builder experiencing financial difficulties.

Reliance on APN FM, Dexus and personnel risk

While APN FM continues to be a subsidiary of APN Property Group, APN Property Group has now been acquired by a subsidiary of Dexus (ASX: DXS) ("Dexus"). AQR relies on APN FM and Dexus to provide a range of services (e.g. property management, asset management and leasing services). Failure of Dexus and its executives to discharge its responsibilities as agreed may adversely affect the management and financial performance of AQR and therefore returns to securityholders.

The ability of AQR to successfully deliver on its business objectives as set out in this presentation, is in part dependent on Dexus retaining and attracting quality senior management and other employees. The loss of the services of any senior management or key personnel, or the inability to attract new skilled personnel, could materially affect AQR's business, operational performance or financial results.

Conflicts of interest or duty and related party transactions

In addition to APN FM being the Responsible Entity of AQR, AQR has an existing Investment Management Agreement and a Property Management Agreement with APN FM. APN FM is the Responsible Entity of other registered managed investment schemes in addition to AQR.

Accordingly, there is a risk that the management of properties for different funds may lead to conflicts of interest arising for APN FM and for its parent entity, Dexus. These may include conflicts in respect of the acquisition of properties, leasing and the allocation of the manager's resources to each different fund. There is consequently also a risk that if these conflicts are not managed appropriately, AQR and/or securityholders may suffer loss.

The Responsible Entity has in place policies (as obligated under the Corporations Act and Listing Rules (as applicable)) to ensure that it is able to effectively identify and manage conflicts of interest or duty. Furthermore, the Board consists of majority independent Directors and an independent Chairman responsible for the governance of AQR.

Appendix F – Key risks (cont'd)

Environmental risk

Certain asset classes to which AQR is exposed, in particular service station assets, typically have a higher rate of environmental contamination than other commercial property asset classes. There is a risk that a property may be contaminated now or in the future. Government environmental authorities may require AQR to remediate such contamination and AQR may be required to undertake any such remediation at its own cost. Such an event would adversely impact AQR's financial performance.

In addition, environmental laws impose penalties for environmental damage and contamination which may be material.

If a person is exposed to a hazardous substance at a property, they may make a personal injury claim against AQR. Such a claim could be for an amount that is greater than the value of the contaminated property.

An environmental issue may also result in interruptions to the operations of a property. Any lost income caused by such an interruption to operations may not be recoverable.

AQR and the operations of property tenants are subject to government environmental legislation. While environmental issues are continually monitored, there is no assurance that AQR's operations or those of a tenant of a property will not be affected by an environmental incident or subject to environmental liabilities, which could impact the reputation, rental income or value of AQR.

Tenant concentration

AQR generates a substantial proportion of its revenue from three tenants, being Chevron, 7-Eleven and EG Australia, which contribute approximately 39%, 12% and 11% respectively (pro forma post- Acquisitions) of AQR's rental income. A deterioration in the financial strength and stability of these tenants could materially adversely affect AQR's operational and financial results, the value of its properties and the value of the securities. Since Chevron, 7-Eleven and EG Australia are the tenants in a substantial number of the properties, AQR's revenue will largely depend them complying with their obligations to pay rent under the leases. If Chevron, 7-Eleven and EG Australia fails to pay rent on time, or at all, AQR's revenues, financial results and ability to meet its debt obligations will be adversely affected. If Chevron, 7-Eleven and EG Australia becomes insolvent or enters administration, AQR's financial condition and the price of its stapled securities would be materially adversely affected.

In addition, there is a risk that if one or more of the other major tenants ceases to be a tenant, AQR may not be able to find a suitable replacement tenant or may not be able to secure lease terms that are as favourable as current terms and incur costs associated with enforcing AQR's claim against those tenants. Should AQR be unable to secure a replacement tenant for a major tenant for a period of time or if replacement tenants lease the property on less favourable terms, this will result in a lower rental return to AQR, which could materially adversely affect its financial performance and distributions.

Future acquisitions and divestments

AQR may make future acquisitions of properties or dispose of existing properties. Future acquisitions or disposals may affect forecast distributions, or any tax deferred component of income returns. If AQR needs to sell one or more properties or investments it may realise a capital loss. Integration of new properties or businesses into AQR may be costly and may not generate expected earnings and may occupy a large amount of management's time. There is no guarantee that future potential acquisitions will be available on favourable terms or that they will be successfully integrated.

Acquisition due diligence and reliance on information provided

AQR will continue to seek to identify new investment opportunities for potential acquisition. AQR will endeavour to conduct all reasonable and appropriate due diligence on potential investment opportunities. In undertaking such due diligence processes in respect of potential acquisitions, AQR may rely on the review of financial and other information provided by vendors. AQR may not be able to verify the accuracy, reliability or completeness of such information against independent data.

In addition, if any of the data or information provided to and relied upon by AQR in its due diligence processes proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of potential acquisitions and AQR may be materially different to the financial position and performance expected by AQR.

Investors should also note that there is no assurance that any due diligence conducted is conclusive and that all material issues and risks in respect of potential acquisitions will be identified.

It is also possible that the due diligence undertaken will not reveal issues that, subject to warranty and other contractual protection in the relevant purchase agreements with the vendors, may later have an adverse impact on the benefits of the potential acquisitions forecast to AQR or may result in AQR being or becoming liable for costs or liabilities in the future that AQR cannot recover. Such costs or liabilities could adversely impact the financial position of AQR.

Appendix F – Key risks (cont'd)

Share market conditions

There are general risks associated with an investment in the share market. As such, the value of New Securities may rise above or fall below the offer price, depending on the financial position and operating performance of AQR and other factors. In addition, the market price of AQR securities will fluctuate due to various factors, many of which are non-specific to AQR, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, investor perceptions and volatility in global markets. Investors should recognise that the price of New Securities may fall as well as rise.

Investor preferences

The demand for property and listed property securities may change as investor preferences for particular sectors and asset classes change. The demand for property as an asset class may change over time and may be influenced by general economic factors such as interest rates, stock market cycles and exchange rates.

Taxation

Future changes in taxation law in Australia and in other jurisdictions, including changes in interpretation or application of the law by the courts or taxation authorities in Australia or other jurisdictions, may impact the future tax liabilities of AQR or may affect taxation treatment of an investment in AQR securities, or the holding or disposal of those securities.

Dilution

Securityholders will be diluted by the issue of New Securities under the Placement. Eligible securityholders should note that if they do not participate in the SPP, then their percentage securityholding in AQR will be diluted to a greater extent than would otherwise be the case, and they will not be exposed to future increases or decreases in AQR's security price in respect of the New Securities which would have been issued to them had they participated in the SPP.

In addition, AQR's need to raise additional capital in the future in order to meet its operating or financing requirements, including by way of additional borrowings or increases in the equity of any of the consolidated entity's companies, may change over time. Future equity raisings or equity funded acquisitions may dilute the holdings of particular securityholders to the extent that such securityholders do not subscribe to additional equity, or are otherwise not invited to subscribe in additional equity.

Competition

AQR faces competition from other property groups active in Australia. Such competition could lead to the following adverse effects:

- loss of tenants to competitors;
- a reduction in rents;
- an inability to secure new tenants resulting from oversupply of space.

Litigation and disputes

AQR may in the ordinary course of business be involved in disputes, some of which may result in litigation (for example, tenancy disputes, occupational health and safety claims or third party claims). While the extent of any disputes and litigation cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operational and financial results of AQR. AQR is not a party to any current litigation.

Capital availability

Current economic conditions can impact on the availability of debt and equity funding that may be required to support the cash flow of a business. AQR's development may be affected by availability of funding which would impact on its ability to establish business operations in the expected time frame and/or at its current levels.

Appendix F – Key risks (cont'd)

Accounting standards and impairment

AQR prepares its general purpose financial statements in accordance with IFRS and with the Corporations Act. Australian Accounting Standards are not within the control of AQR or its boards and are subject to amendment from time to time, and any such changes may impact on AQR's statement of financial position or statement of financial performance.

In addition, under IFRS, AQR is required to review the carrying value of its assets annually or whenever there is an indication of impairment. If there is any indication of impairment, then the assets recoverable amount is estimated. Changes in key assumptions underlying the recoverable amount of certain assets of AQR (or of the properties post-acquisition) could result in an impairment of such assets, which may have a material adverse effect on AQR's financial performance and position.

Underwriting risk

The Responsible Entity has entered into an underwriting agreement with the Underwriter who has agreed to act as lead manager and to fully underwrite the Offer, subject to certain terms and conditions. If certain customary conditions are not satisfied or certain customary termination events occur, then the Underwriter may terminate the underwriting agreement.

A summary of the events which may trigger termination of the underwriting agreement include (but are not limited to) the following:

a) ASIC
   i. holds, or gives notice of intention to hold, a hearing or investigation in relation to the Placement, the SPP or Responsible Entity; or
   ii. (A) prosecutes or gives notice of an intention to prosecute; or
       (B) commences proceedings against, or gives notice of an intention to commence proceedings against,

   the Responsible Entity or any of its directors, officers, employees or agents in relation to the Placement or SPP, and such investigation or proceeding is not withdrawn within 2 business days after it was made or where it is made less than 2 business days before the SPP settlement date, it has not been withdrawn before the SPP settlement date;

b) ASX announces (whether or not by way of an official statement) that AQR's securities will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation;

c) unconditional approval (or approval conditional only on customary conditions which are acceptable to the Underwriter, acting reasonably) is refused or not granted to the official quotation of all of the Placement stapled securities to be issued under the Placement on ASX, on or before the Placement settlement date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions or other conditions acceptable to the Underwriter, acting reasonably) or withheld;

d) unconditional approval (or approval conditional only on customary conditions which are acceptable to the Underwriter, acting reasonably) is refused or not granted to the official quotation of all of the SPP stapled securities on ASX, on or before the SPP settlement date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions or other conditions acceptable to the Underwriter, acting reasonably) or withheld;

e) the Responsible Entity alters the capital structure of any of the Trusts, or the constitutions of Trusts without the prior consent of the Underwriter (such consent not to be unreasonably withheld or delayed);

f) any material adverse change or effect occurs, or an event occurs which is likely to give rise to a material adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, profits, losses or prospects of the Responsible Entity or the business of the Responsible Entity and the Trusts or any of their subsidiaries or subtrusts (the "Group") from that existing at the date of the underwriting agreement;

g) any event specified in the timetable is delayed for more than 1 business day without the prior agreement of the parties;

h) the Responsible Entity or its directors and officers (as those terms defined in the Corporations Act) engage in any fraudulent conduct or activity in connection with the Placement or SPP;

i) a certificate which is required to be furnished by the Responsible Entity under the underwriting agreement is not furnished when required or when given is false, misleading or inaccurate in any respect;

j) the announcement, or the SPP booklet, includes content that is misleading or deceptive or an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

k) the Responsible Entity or any member of its Group becomes insolvent or there is an act or omission which may result in the Responsible Entity or any member of its Group becoming insolvent;

l) there is an application to a governmental authority (including, without limitation, the Takeovers Panel but excluding ASIC) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or a governmental authority commences any investigation or hearing or announces its intention to do so, in each case in connection with the Placement or the SPP (or any part of either) or any agreement entered into in respect of the Placement or the SPP (or any part of either), and such investigation or hearing is not withdrawn within 2 business days after it was made or where it is made less than 2 business days before the SPP settlement date, it has not been withdrawn before the SPP settlement date;

Appendix F – Key risks (cont'd)

Underwriting risk (continued)

m) a regulatory body:

   i. makes an adverse declaration or order;
   ii. issues, or publicly announces or indicates to the Responsible Entity its intention to issue, proceedings; or
   iii. commences, or publicly announces or indicates to the Responsible Entity its intention to commence, any inquiry or investigation,

   in relation to the Placement or SPP; or there is an application to a regulatory body for an order, declaration or other remedy which, in the Underwriter's reasonable opinion, is a serious action with reasonable prospects of success and such proceeding, investigation or inquiry is not withdrawn within 2 business days after it was made or where it is made less than 2 business days before the SPP settlement date, it has not been withdrawn before the SPP settlement date;

n) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Placement or the SPP which, in the Underwriter's reasonable opinion, have reasonable prospects of success and are likely to have a material adverse effect on AQR or the Placement or the SPP, and such proceeding is not withdrawn within 2 business days after it was made or where it is made 2 business days before the SPP settlement date, it has not been withdrawn before the SPP settlement date;

o) the Responsible Entity fails to perform or observe any of its obligations (including, for the avoidance of doubt, the undertakings) under the underwriting agreement;

p) any representation or warranty made or given by the Responsible Entity in the underwriting agreement is or becomes untrue or incorrect;

q) there is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or government policy in Australia (including a policy of the Reserve Bank of Australia) (other than a law or policy which has been publicly announced before the date of the underwriting agreement);

r) the ASX/S&P 300 Index or ASX/S&P 300A-REIT Index falls at any time after the date of the underwriting agreement up to the time of distribution of the Confirmation Letters by 10% or more from its level at the close on the last trading day before the date of the underwriting agreement;

s) in respect of or involving any one or more of the United States, Australia, Hong Kong, Singapore, Peoples' Republic of China, the United Kingdom or New Zealand:

   i. hostilities not presently existing commence;
   ii. a major escalation in existing hostilities occurs;
   iii. a declaration is made of a national emergency or war; or
   iv. a major terrorist act is perpetrated anywhere in the world;

t) either of the following occurs:

   i. a general moratorium on commercial banking activities in Australia, the United States of America, the United Kingdom, Hong Kong or Singapore is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
   ii. trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading ("Trading Day") or substantially all of one Trading Day;

u) any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, Singapore, the United States of America, the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions;

v) any director of the Responsible Entity is charged with an indictable offence, or any director of the Responsible Entity is disqualified from managing a corporation under the Corporations Act;

w) the Chair of the Responsible Entity or the Fund Manager of AQR is removed from office or is replaced;

x) there is a change in the membership of the board of directors of the Responsible Entity (other than the Chair or Managing Director) occurs or is announced; or

y) the Responsible Entity or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Placement or the SPP.

The ability of the Underwriter to terminate the underwriting agreement in respect of the events set out above, in some cases, is limited to circumstances where the Underwriter has reasonable grounds to believe and does believe that:

   i. the event has had, or is likely to have, a materially adverse effect on the outcome or success of the Placement or the SPP or on the ability of the Underwriter to settle the Placement or SPP; or
   ii. could give rise to a contravention by the Underwriter of or liability for the Underwriter under the Corporations Act or any applicable laws.

Appendix F – Key risks (cont'd)

The Responsible Entity also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its representatives subject to certain carve-outs.

If the underwriting agreement is terminated, AQR would need to find alternative financing to meet its future funding requirements. Although AQR has capacity under its covenants there is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms and conditions. Termination of the underwriting agreement could materially adversely affect AQR's business, cash flow, financial condition and results of operations.

Forward-looking statements

There can be no guarantee that the assumptions and contingencies on which the forward-looking statements, opinions and estimates (including guidance on future FFO and distributions) are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of AQR. Actual performance of AQR may materially differ from forecast performance.

Substantial holding by APN Property Group

As noted above, while APN FM continues to be a subsidiary of APN Property Group, APN Property Group has now been acquired by Dexus. APN Property Group and Dexus corporate entities have substantial holdings in AQR. This represents a strategically significant investment for APN Property Group and Dexus. In addition, funds managed by APN Property Group and Dexus subsidiaries may also hold securities in AQR. If APN Property Group and/or Dexus were to sell down some or all of its respective holdings in AQR, the price of the REIT's stapled securities may decline as a result given the relative size of their holdings.

In addition, due to these security holdings, APN Property Group and Dexus may have influence over the outcome of matters submitted to a vote of securityholders. The interests of APN Property Group and Dexus may differ from the interests of AQR and the interests of other securityholders who purchase securities under the Offer.

Distribution guidance

No assurances can be given in relation to the payment of future distributions. Future determinations as to the payment of distributions by AQR will be at the discretion of AQR and will depend upon the availability of profits, the operating results and financial conditions of AQR, future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by AQR. No assurance can be given in relation to the level of tax deferral of future distributions. Tax deferred capacity will depend upon the amount of capital allowances available and other factors.

Acquisition completion risks

Other risks associated with the Acquisitions include delays to completion or an inability to complete. If this occurs, AQR will need to consider alternative uses for subscriptions raised from AQR securityholders under the Placement and SPP. If AQR does not complete the Acquisitions, and is unable to find alternative suitable acquisitions, it may have a material adverse effect on AQR's financial performance, financial position and security price. Such circumstances may result in a reduction in earnings to the extent that funds raised under the equity raising are retained in cash.

Insurance risk

AQR enters into material damage, business interruption and liability insurance on its properties with policy specifications and insured limits that it believes to be customary in the industry. However, potential losses of a catastrophic nature such as those arising from earthquakes, terrorism or severe flooding may be uninsurable, or not insurable on reasonable financial terms, may not be insured at full replacement costs or may be subject to large excesses. The nature and cost of insurance has been based upon the best estimate of likely circumstances. However, various factors may influence premiums to a greater extent than those forecast, which may in turn have a negative impact on the net income of AQR.

Compliance risk

APN FM, as the Responsible Entity of AQR and other managed investment schemes, is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If the Responsible Entity breaches the Corporations Act or the terms of its Australian Financial Services Licence, ASIC may take action to suspend or revoke the licence, which in turn may adversely impact the ability of AQR to operate.

Appendix F – Key risks (cont'd)

Insolvency

In the event of any liquidation or winding up of AQR, the claims of AQR's creditors, will rank ahead of those of its securityholders. Under such circumstances AQR will first repay or discharge all claims of its creditors. Any surplus assets (if any) will then be distributed to securityholders. All securityholders will rank equally in their claim and will be entitled to an equal share per security.

Change in capital structure

Changes in the capital structure of AQR, for example from the raising of further debt or the issue of further equity to repay or refinance debt facilities or to fund the acquisition of additional properties, may affect the value or returns from an investment in AQR securities.

General economic and political conditions

Factors such as, but not limited to, domestic and international political changes, interest rates, exchange rates, inflation levels, commodity prices, AQR disruption, environmental impacts, international competition, taxation changes, changes in employment levels, consumer and business spending, employment rates and labour costs may all have an adverse impact on AQR's revenues, operating costs, profit margins and security price. These factors are beyond the control of AQR and its boards and AQR cannot, to any degree of certainty, predict how they will impact on AQR. The environment in which AQR operates may experience challenging conditions as a result of general uncertainty about future Australian and international economic conditions. A prolonged deterioration in domestic or general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the financial performance of AQR's businesses.

Changes in applicable law and regulations

AQR will be subject to the usual business risk that there may be changes in laws, regulations and government policy (including, at these times, changes in law and policy relating to COVID-19) which may affect its operations and/or financial performance. Such changes may impact rental income or operational expenditure. In addition, AQR's ability to take advantage of future acquisition opportunities in Australia may be limited by regulatory intervention on competition grounds.

AQR is also subject to the usual risks to changes in taxation regimes and Australian Accounting Standards. There can be no assurance that such changes will not have a material adverse effect on AQR's business, operational performance or financial results or returns to securityholders.

Other risks

The above risks should not be taken as a complete list of the risks associated with an investment in AQR. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of AQR securities and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by AQR in respect of AQR securities

Appendix G – Foreign selling restrictions

International Offer Restrictions

This document does not constitute an offer of new stapled securities ("New Securities") of AQR in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Securities have not been and will not be offered or sold in Hong Kong other than to “professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"). The New Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the New Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Appendix G – Foreign selling restrictions (cont'd)

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Securities have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Securities will only be offered and sold in the United States to:

- "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

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